(ii) Bio-fertilizer production units - 25% of the total cost subject to a maximum of Rs. 20.00 lakh per unit.

(iii) Vermiculture hatcheries - 25% of the total cost subject to a maximum of Rs. 1.50 lakh per unit.

The assistance to production unit is being provided as credit linked and back ended subsidy through NABARD/NCDC.

Prices of Essential Drugs

2764. SHRIMATI HEMA MALINI: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government are aware that prices of essential drugs are not affordable even by middle class;

(b) whether Government are taking any steps to make drug prices affordable by the poor;

(c) if so, whether target date has been fixed for domestic pharma industry for reducing drug prices; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI B.K. HANDIQUE): (a) to (d) The Drug Policy as announced from time to time is directed towards making available quality drugs at reasonable prices to the poor. The 74 bulk drugs specified in the First Schedule of the Drugs (Prices Control) Order, 1995 (DPCO, 95) and the formulations based thereon are under price control and their prices are fixed/revised by the National Pharmaceutical Pricing Authority (NPPA) in accordance with the provisions of the DPCO, 95. These drugs have been kept under price control on the basis of criteria mentioned in Modifications in Drug Policy, 1966, announced in September, 1994. The price fixation/ revision of the Scheduled Drugs and formulations is a continuous process under DPCO, 95. In case of any violation of the price fixed by NPPA, action for recovery of overcharging amount is taken by NPPA. Hence, prices of medicines under price control have been effectively controlled and kept low.

Prices of non-Scheduled formulations are fixed by the manufacturers themselves keeping in view the various factors like cost of production, marketing/selling expenses, R&D expenses, trade commission, market competition, product innovation, product quality etc. Prices of these drugs are regularly monitored and corrective measures taken where public interest is found to be adversely affected.

The Government has drafted National Pharmaceutical Policy-2006. After the Policy has been approved, a new Drugs (Prices Control) Order is proposed to be issued. This may include several new measures for better availability of cheaper medicines to the common man. In addition several other measures for making cheaper medicines available to common man are also being contemplated e.g. National Health Insurance Policy for the BPL families. Larger allocation for National illness Assistance Fund/State illness Assistance Funds. District illness Assistance Fund, Revolving Funds for BPL families to be set up in all the Central Government hospitals. States also to set up revolving funds in all the Government hospitals for free treatment of BPL, families, Rajasthan model of Medicare Relief Societies to be replicated in other States. Scheme of District level Drug Bank in States/UTs, Setting up of Cancer Medicines Assistance Fund etc. Besides, it is also proposed to strengthen NPPA for effective monitoring and enforcement of drug prices with the help of State Drug Controllers.

The Cabinet Note on National Pharmaceuticals Policy-2006 was considered by the Cabinet in its meeting held on 11-1-2007. The Cabinet has decided that the matter may, in the first instance, be considered by a Group of Ministers (GoM). A Group of Ministers has been constituted. The 1st meeting of the GoM was held on 10.4.2007. No specific time frame can be mentioned about the announcement of Policy.

Failure of PDS

2765. SHRI RAJ NATH SINGH: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that the Public Distribution System (PDS) in the country is totally a failure;

(b) whether Government are aware that the total supply of wheat, rice and sugar for the BPL card holders are not reaching them and the